## **BOARD ACTION MEMORANDUM**

TO: NCUA Board DATE: September 9, 2009

FROM: Alonzo A. Swann III SUB: Community Charter Conversion

Region III Director Request – US #1364 FCU, # 01364

**ACTION REQUESTED:** Approval of US #1364 Federal Credit Union's field of membership conversion to "persons, who live, work, worship, or attend school in, and businesses and other legal entities located in Lake or Porter Counties in Indiana, a single well-defined local community, under standards of Interpretive Ruling and Policy Statement (IRPS) 08-2."

DATE ACTION REQUESTED: October 22, 2009

OTHER OFFICES CONSULTED: Office of General Counsel and Office of Examination

and Insurance

VIEWS OF OTHER OFFICES CONSULTED: Both offices concur.

**REVIEWED BY INSPECTOR GENERAL:** Not applicable; requested action does not involve a proposed regulation relating to agency programs and operations.

**BUDGET IMPACT, IF ANY: None** 

**RESPONSIBLE STAFF MEMBERS:** Regional Director Alonzo A. Swann III, Division of Insurance Director Joseph Ostrowidzki, and Insurance Analyst Elliot Weiss.

**SUMMARY:** US #1364 Federal Credit Union located in Merrillville, Indiana, has requested conversion from a multiple group to a community-based field of membership to serve Lake and Porter Counties, Indiana.

The requirements as set forth in the Chartering and Field of Membership Manual have been met as follows:

- Geographical area boundaries are clearly defined. The credit union is proposing to serve persons who live, work, worship, or attend school in, and businesses and other legal entities located in Lake or Porter County, Indiana. The County boundaries are clearly defined.
- 2. The total population of the proposed service area based on 2000 Census Data is 652,682.

- 3. Data provided to support the conversion to a community field of membership demonstrate that Lake and Porter County, Indiana is a single well-defined local community where residents have common interests or interact.
- 4. US #1364 Federal Credit Union is a financially stable, well-capitalized credit union with low delinquency and loan losses. The most recent examination, effective September 30, 2008, disclosed no major concerns.
- 5. The community residents will benefit greatly from the wide range of products and services offered by US #1364 Federal Credit Union. Current staffing and facility locations are sufficient to serve the entire community. The entire community population is within a 24 mile commute of an existing service facility.

The credit union has met the requirements of IRPS 08-02 and has provided sufficient support to demonstrate that the proposed service area represents a single well-defined local community where residents have common interests or interact. The credit union is well operated and management has the intent and ability to effectively serve the entire community.

**REASON FOR COMING TO THE BOARD WITH THIS ITEM:** The population exceeds the Regional Director's delegated authority and, therefore, the NCUA Board must approve the request.

**RECOMMENDED ACTION:** Approve US #1364 Federal Credit Union's request to convert its field of membership to serve the community of Lake and Porter County, Indiana.

**ATTACHMENTS:** Regional Summary and supporting documents

Alonzo A. Swann III Regional Director